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REPLACEMENT

6146 - POST-ISSUANCE COMPLIANCE

PURPOSE

The South-Western City School District, Franklin and Pickaway Counties, Ohio (the "Issuer") uses bonds as one means of financing capital projects in support of its mission. This Post-Issuance Compliance Policy (the "Policy") outlines the policies and procedures to promote compliance with federal income tax and securities laws, as well as the requirements set forth in the bond documents for each bond issue. The policy is to strictly follow the U.S. Constitution and laws, the Ohio Constitution and laws, and all applicable federal and state regulations. For purposes of this policy, the terms "bonds" or "bond issue" means any obligation of the Issuer incurred for the purpose of borrowing money, including, without limitation, bonds, notes and certificates of participation in capital leases.

OUTSIDE COUNSEL

The Treasurer may, upon obtaining any necessary approvals, engage an attorney or firm of attorneys of national reputation on the subject of the federal tax and securities law of public finance to serve as "Outside Counsel" for the purpose of assisting the Issuer in the pursuit of its duties under this Policy. Outside Counsel may be bond counsel for the Issuer. Any such engagement shall be evidenced by the execution of an engagement letter or other written agreement between the Issuer and such Outside Counsel.

SECURITIES LAW MATTERS - CONTINUING DISCLOSURE

A. Continuing Disclosure Working Group. The Treasurer (the "Disclosure Officer") shall have primary responsibility for preparing the annual financial information and operating data (an "Annual Filing") to be filed with the Municipal Securities Rulemaking Board ("MSRB") via its Electronic Municipal Market Access ("EMMA") system pursuant to operative continuing disclosure undertakings (the "Continuing Disclosure Undertakings") entered into by the Issuer pursuant to Rule 15c2-12 (the "Rule") promulgated under the Securities Exchange Act of 1934, as amended. Such Disclosure Officer, together with any Outside Counsel retained by the Issuer, shall constitute the "Continuing Disclosure Working Group."

B. Annual Financial Information and Operating Data.

1. Assembling Current Information. The Disclosure Officer or the Continuing Disclosure Working Group shall compile, maintain and update a list of all financial information and operating data required to be filed with the MSRB pursuant to each of the Continuing Disclosure Undertakings, and shall establish a schedule for producing the data (and the Annual Filing document) that will afford sufficient time for final review by the Continuing Disclosure Working Group and approval in accordance with this Policy.

2. Review for Process, Accuracy, and Completeness. The members of the Continuing Disclosure Working Group shall review the Annual Filing drafts to determine whether, based on information known or reported to them, (a) this Policy was followed, (b) the material facts in the Annual Filing appear to be consistent with those facts known to the members of the Continuing Disclosure Working Group, (c) the Annual Filing contains all information required by the Continuing Disclosure Undertakings, and (d) the Annual Filing omits any material fact that is necessary to be included to prevent the Annual Filing from being misleading to investors. The Disclosure Officer or the Continuing Disclosure Working Group shall take such action as may be necessary, based on feedback from the Continuing Disclosure Working Group, to enable the Continuing Disclosure Working Group to conclude that this Policy was followed and that the Annual Filing is accurate and complete in all material respects.

3. Final Approval. The Continuing Disclosure Working Group shall approve the final draft of the Annual Filing.

4. Posting. The Disclosure Officer or the Continuing Disclosure Working Group shall file each Annual Filing with the MSRB through EMMA by the deadline established by the Continuing Disclosure Undertakings. The Disclosure Officer or the Continuing Disclosure Working Group shall exercise reasonable care to ensure that each Annual Filing is filed in the format and with the identifying information required by the Continuing Disclosure Undertakings, including applicable CUSIP numbers, in accordance with the rules and requirements of the EMMA system.

5. Documentation of Procedures. The Disclosure Officer shall compile and retain a file of the actions taken to prepare, check, and approve the Annual Filing, including the sources of the information included, the comments and actions of the Continuing Disclosure Working Group.

C. Event Notices

1. Identification of Reportable Events. The Disclosure Officer shall maintain a list of events of which the Issuer is required to provide notice to the MSRB pursuant to the Continuing Disclosure Undertakings. The Continuing Disclosure Working Group shall (a) identify the officers and employees of the Issuer who are most likely to first obtain knowledge of the occurrence of such events and (b) request in writing that they notify the Disclosure Officer immediately after learning of any such event, regardless of materiality, and repeat such request in a quarterly reminder.

2. Identification of Financial Obligations; Materiality

a. The Disclosure Officer shall undertake to identify any financial obligations, as defined in the Rule, to which the Issuer is a party and under the terms of which a default, event of acceleration, termination event, modification of terms, or other similar events could reflect financial difficulties on the part of the Issuer.

b. The Disclosure Officer shall prepare a summary sheet with respect to the financial obligations, as defined in the Rule, to which the Issuer is a party in substantially the form attached hereto as Exhibit A for the purpose of evaluating, together with the Continuing Disclosure Working Group, (i) whether the incurrence of any such financial obligation must be disclosed under the terms of any Continuing Disclosure Undertaking, or (ii) whether the agreement or amendment to covenants, events of default, remedies, priority rights, or other similar terms of any such financial obligation affects the security holders of the Issuer's securities and must be disclosed under the terms of any Continuing Disclosure Undertaking.

c. The Continuing Disclosure Working Group shall establish procedures for assessing the materiality of any financial obligation (including the materiality of any agreement or amendment to covenants, events of default, remedies, priority rights, or other similar terms of any such financial obligation) as well as whether a default, an acceleration or termination event, modification of terms or similar events under a financial obligation reflects financial difficulties.

3. Preparation of Event Notice. The Disclosure Officer shall assess the materiality of any reportable event with the assistance of Outside Counsel (reportable under the Continuing Disclosure Undertakings) and, if notice of the event (each an "Event Notice") must be given (or if no materiality standard applies to that particular event), prepare or cause to be prepared an Event Notice giving notice of the event, and review the draft Event Notice with the Continuing Disclosure Working Group.

4. Review and Approval of Event Notice. The Disclosure Officer shall not file an Event Notice until it is approved by the Continuing Disclosure Working Group unless the Event Notice (a) only gives notice of a rating change, bond call, or defeasance or (b) such approval has not been received by the applicable filing deadline under the Rule and the Continuing Disclosure Undertakings.

5. Posting. The Disclosure Officer or the Continuing Disclosure Working Group shall file or cause to be filed each Event Notice with the MSRB through EMMA by the deadline established by the Rule and the Continuing Disclosure

Undertakings or, if the facts cannot be correctly and fairly described by the deadline, then as soon as possible thereafter. The Disclosure Officer or the Continuing Disclosure Working Group shall exercise reasonable care to file each Event Notice in the format and with the identifying information required by the Continuing Disclosure Undertakings, including CUSIP numbers, in accordance with the rules and requirements of the MSRB's EMMA system.

6. Documentation of Procedures. The Disclosure Officer or the Continuing Disclosure Working Group shall compile and retain a file of the actions taken to report each event and prepare, check, and approve each Event Notice, including the approvals of the Continuing Disclosure Working Group, if obtained.

FEDERAL TAX LAW COMPLIANCE

A. Tax Compliance Working Group. The Treasurer (the "Tax Compliance Officer") shall have primary responsibility for complying with the requirement of federal tax law with respect the bonds of the Issuer. Such Tax Compliance Officer, together with any Outside Counsel retained by the Issuer shall constitute the Tax Compliance Working Group.

B. Procedures. The Tax Compliance Officer shall implement the following procedures in preparing, checking, or issuing the documentation described herein.

1. Proper Use of Proceeds. The Tax Compliance Officer shall ensure that bond proceeds are allocated to expenditures in a manner that is consistent with the purpose for which each bond issue is undertaken, as set forth in any tax compliance certificate or agreement related to each bond issue. The Tax Compliance Officer shall undertake to make final allocations for federal income tax purposes of the bond proceeds within 18 months after a financed facility is placed in service but in no event later than 60 days following the fifth anniversary of the issuance of each bond issue.

2. Investment of Bond Proceeds and Rebate. The Tax Compliance Officer shall ensure that bond proceeds are invested in investments that are permissible under the terms of the Ohio Revised Code, the bond documents, and any applicable federal tax laws. The Tax Compliance Officer shall determine whether it is appropriate to undertake rebate calculations with respect to the investment of proceeds of the bonds shall ensure the timely completion of arbitrage rebate calculations and filings.

3. Administration of Direct Pay Bonds. The Tax Compliance Officer shall ensure the proper administration of each issue of bonds qualifying for the payment by the federal government of a credit equal to a percentage of interest on such bonds or calculated on some other basis, including the timely completion and filing of any forms required by the Internal Revenue Service to maintain or establish the applicable status of the bonds for purposes of federal income taxation.

4. Use of Bond-Financed Facilities. The Tax Compliance Officer shall consult with Outside Counsel before entering into any agreement or other arrangement for the sale, lease, or use of bond-financed property, including, but not limited to service, vendor, and management contracts, research agreements, licenses to use bond-financed property, or naming rights agreements. The Tax Compliance Officer or the designee of the Tax Compliance Officer shall review such agreements for compliance with federal tax laws and complete a Private Business Use Contract Review Worksheet (attached as Exhibit B) to document that such review has been completed.

5. Post-Issuance Transactions. The Tax Compliance Officer shall consult with Outside Counsel for the Issuer before making any modifications or amendments to the bond documents for a bond issue, including, but not limited to, entering or modifying investment agreements; making any change in security for the bonds; engaging in post-issuance credit enhancement transactions (e.g., bond insurance, letter of credit) or hedging transactions (e.g., interest rate swap, cap); terminating or appointing successor trustees; releasing any liens; or reissuing the bonds.

6. Remedial Action. In the event that it is determined that any use of bond proceeds or bond-financed facilities is inconsistent with the character of the status for federal income tax purposes of the bonds, the Tax Compliance Officer shall consult with Outside Counsel for the purpose of determining the nature and extent of any remedial action necessary or proper for the Issuer to take with respect to such bonds or bond-financed facilities according to Treasury Regulations Section 1.141-12 or other remedial actions authorized by the Commissioner of Internal Revenue under 1.141.12(h).

C. Recordkeeping. Responsibility for Records Maintenance

1. The Tax Compliance Officer shall be responsible for maintaining records related to bonds of the issuer.

2. The Tax Compliance Officer shall maintain a central list of records related to each issue of bonds of the Issuer. The list shall identify:

- a. The name and date of the document related to the issue,
- b. The person or office responsible for the document, and
- c. The physical or electronic location of the document.

D. Bond Records to be Maintained

1. The following records shall be maintained for each outstanding bond issue for the term of the outstanding bond issue plus three years.

a. Basic records relating to the bond transaction, including the trust indenture, loan, lease, or other financing agreement, the relevant IRS Form 8038 (including Forms 8038-G, 8038-GC, 8038-B, or 8038-TC, as applicable) with proof of filing, and bond counsel opinion shall be maintained by the Tax Compliance Officer;

b. Documentation evidencing the expenditure of bond proceeds, such as construction or contractor invoices and receipts for equipment and furnishings, as well as records of any special allocation made for tax purposes shall be maintained by the Tax Compliance Officer;

c. Documentation evidencing the lease or use of bond-financed property by public and private sources, including, but not limited to, service, vendor, and management contracts, research agreements, licenses to use bond-financed property, or naming rights agreements shall be maintained by the Issuer office executing such agreement for use of bond-financed property; and

d. Documentation pertaining to investment of bond proceeds, including the yield calculations for each class of investments, actual investment income received from the investment of proceeds, and rebate calculations shall be maintained by the Tax Compliance Officer's Office.

2. The Tax Compliance Officer shall maintain the Issuer's audited financial statements for not less than seven years.

TRAINING REQUIREMENTS, POLICY REVIEW AND MISCELLANEOUS MATTERS

A. Training. Within six months of becoming the adoption of this Policy, and on an as-needed basis thereafter, the Tax Compliance Officer, the Disclosure Officer and the respective designees of any of them, if any, shall undergo training regarding basic federal securities law and tax concepts relating to bonds and records required to be maintained under this Policy.

B. Annual Review. On an annual basis, or sooner if deemed necessary by the Continuing Disclosure Working Group and the Tax Compliance Working Group, shall review this policy and assess the Issuer's compliance with this Policy and shall make changes to this Policy as appropriate to ensure compliance with any covenants in the bond documents or the requirements of federal tax and securities laws and any other applicable law.

C. Miscellaneous

1. Internal Use Only. This Policy is intended for the internal use of the Issuer only and is not intended to establish any duties in favor of or rights of any person other than the Issuer.

2. Waiver of Procedures. The officers and employees charged by this Policy with performing or refraining from any action may depart from this Policy when they in good faith determine that such departure is in the best interests of the Issuer and consistent with the duties of the Issuer under applicable laws. If a Disclosure Officer or Tax Compliance Officer is charged by this Policy with taking or refraining from such action, any such departure shall require approval review of Outside Counsel.

EXHIBIT ASOUTH-WESTERN CITY SCHOOL DISTRICTFINANCIAL OBLIGATION SUMMARY SHEET

This form may be used to gather information necessary to evaluate whether a financial obligation is material and must be disclosed to via the Municipal Securities Rulemaking Board's EMMA system. The information requested should be inserted below. In some cases, it may be appropriate to attach a schedule or copy the applicable section from the relevant documents.

The term *financial obligation* means a:

(A) Debt obligation; (B) Derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (C) Guarantee of either of the foregoing.

Such term does not include municipal securities as to which a final official statement has been provided to the Municipal Securities Rulemaking Board consistent with SEC Rule 15c2-12.

Generally speaking, any obligation that is essentially a vehicle to borrow money (e.g., a lease-purchase agreement) should be considered a *financial obligation*.

1.	<u>Loan amount and date incurred</u>	
2.	<u>Final maturity date of the loan</u>	
3.	<u>Debt service schedule, if including principal amortization, interest rate(s), interest calculations (attach separate sheet if necessary).</u>	
4.	<u>Legal security and/ source of payment</u>	
5.	<u>Interest rate method of calculation, if variable</u>	
6.	<u>Use of loan proceeds</u>	
7.	<u>Covenants, events of defaults and remedies</u>	
8.	<u>Amortization modification provisions, or information about payment acceleration or other non-standard payment considerations</u>	
9.	<u>Any other information that an issuer believes to be important to lenders or investors in the obligations of the Issuer</u>	

EXHIBIT BSOUTH-WESTERN CITY SCHOOL DISTRICTPRIVATE BUSINESS USE CONTRACT REVIEW WORKSHEET

District Department:

Contracting Parties:

Type/Title of Agreement:

Agreement Not Subject to Private Use Limitation

Relates solely to construction of bond-financed facility

Relates to property that was not financed with proceeds of a bond issue

Does not relate to use or function of property

Includes incidental services only (janitorial, office equipment repair, or similar services)

Compensation consists solely of reimbursement of actual and direct expenses incurred by the service provider while providing services under the agreement

Agreement Satisfies Safe Harbors for Management/Service Contracts with Outside Service Providers

If the arrangement with an outside service provider is not either an "Eligible Expense Reimbursement Arrangement" or an "Other Permissible Arrangement" (both as described below), then Bond Counsel should be consulted.

Eligible Expense Reimbursement Arrangement

To be an Eligible Expense Reimbursement Arrangement, the compensation paid to the outside service provider must consist solely of reasonable overhead and the reimbursement of actual and direct expenses paid by the outside service provider to unrelated parties.

Other Permissible Arrangement

To be an Other Permissible Arrangement, **all six** of the following elements must be present:

1. Financial Requirements

Compensation payments to the service provider (including any reimbursement for actual and direct expenses paid by the service provider and related administrative overhead expenses) are reasonable compensation for services rendered during the term of the contract; and

The outside service provider does not share in the net profits of the managed facility; and

_____ The outside service provider is not forced to share net losses from the operation of the managed facility.

2. Term of the Contract

_____ The term of the contract is no longer than the lesser of (i) 30 years, or (ii) 80% of the weighted economic life of the managed property, which term is retested as of the date of any material modification of the contract.

3. Control of the Managed Property

_____ The approval of the District is required for each of the following:

_____ the annual budget of the managed property;

_____ capital expenditures with respect to the managed property;

_____ any disposition of the managed property or any portion thereof;

_____ rates charged for use of managed property (or methodology for setting such rates); and

_____ the general nature and type of use of the managed property (for example, the type of services).

4. Risk of Loss

_____ The District bears the risk of loss upon damage or destruction of the managed property.

5. Tax Position of Outside Service Provider

_____ The outside service provider expressly agrees that it is not entitled to and will not take any tax position that is inconsistent with being an outside service provider to the District with respect to the managed property.

6. Rights of the District

_____ The outside service provider does not have any role or relationship with the District that might limit the ability of the District to exercise its rights under the contract.

Agreement Requires Further Review by Bond Counsel

_____ Ownership (including agreement that transfers title at end of the term).

_____ Lease, license, or any other agreement which creates exclusive or priority rights to use any portion of a bond-financed property or which creates an economic benefit for the third-party user

_____ Agreement with governmental entity or 501(c)(3) organization

_____ Research agreement

_____ Management or service contract falling outside safe harbors listed above (provide explanation).

Reviewer: _____

Date: _____

The South Western City School District, Franklin and Pickaway Counties, Ohio (the "District") uses bonds as one means of financing capital projects in support of its mission. This Post Issuance Compliance Policy (the "Policy") outlines the policies and procedures to promote compliance with Federal income tax and securities laws, as well as the requirements set forth in the bond documents for each bond issue. The policy is to strictly follow the U.S. Constitution and laws and the Ohio Constitution and laws. For purposes of this policy, the term "bonds" means any obligation of the District incurred for the purpose of borrowing money, including, without limitation, bonds, notes and certificates of participation in capital leases.

A. Monitoring of Post-Issuance Compliance

Monitoring of post-issuance compliance for bonds will be the responsibility of the Treasurer and Assistant Treasurer (the "Compliance Officers"). The Compliance Officers may designate employees within their respective offices to carry out their duties under this policy on their behalf in the same manner and with the same effect as any similar designation for any other purpose permitted by law.

B. Compliance with Covenants in Bond Documents

The Compliance Officers shall ensure compliance with all financial and operational covenants made by the District in the bond documents, including but not limited to financial reporting, insurance requirements, the recording of mortgages, restrictions on incurring additional indebtedness, restrictions on the disposition of property, and restrictions on granting liens or encumbering property.

C. Federal Tax Law Compliance

1. Proper Use of Proceeds

The Compliance Officers shall ensure that bond proceeds are allocated to expenditures in a manner that is consistent with the purpose for which each bond issue is undertaken, as set forth in any tax compliance certificate or agreement related to each bond issue.

2. Investment of Bond Proceeds

The Treasurer shall ensure that bond proceeds are invested in investments that are permissible under the terms of the Ohio revised code, the bond documents, and any applicable Federal tax laws.

3. Arbitrage Rebate Calculations

The Treasurer shall ensure the timely completion of arbitrage rebate calculations and filings.

4. Administration of Direct Pay Bonds

The Treasurer shall ensure the proper administration of each issue of bonds qualifying for the payment by the Federal government of a credit equal to a percentage of interest on such bonds, including the timely completion and filing of any forms required by the Internal Revenue Service to maintain or establish the applicable status of the bonds for purposes of Federal income taxation.

5. Use of Bond-Financed Facilities

The Compliance Officers shall consult with Bond Counsel for the District before entering into any agreement or other arrangement for the sale, lease, or use of bond-financed property, including, but not limited to, service, vendor, and management contracts, research agreements, licenses to use bond-financed property, or naming rights agreements. The Treasurer or the designee of the Treasurer shall review such agreements for compliance with Federal tax laws and complete a Private Business Use Contract Review Worksheet to document that such review has been completed.

6. Post-Issuance Transactions

The Treasurer shall consult with Bond Counsel for the District before making any modifications or amendments to the bond documents for a bond issue, including, but not limited to, entering or modifying investment agreements; making any change in security for the bonds; engaging in post-issuance credit enhancement transactions (e.g., bond insurance, letter of credit) or hedging transactions (e.g., interest rate swap, cap); terminating or appointing successor trustees; releasing any liens; or reissuing the bonds.

7. Remedial Action

In the event that it is determined that any use of bond proceeds or bond-financed facilities is inconsistent with the character of the status for Federal income tax purposes of the bonds, the Treasurer shall consult with the District's Bond Counsel for the purpose of determining the nature and extent of any remedial action necessary or proper for the District to take with respect to such bonds or bond-financed facilities.

D. Federal Securities Law Compliance

1. The Treasurer shall ensure compliance with all applicable Federal securities laws and regulations, including the continuing disclosure requirements of Rule 15c2-12 promulgated under the Securities Exchange Act of 1934.

2. Make a timely report of any significant material events (as defined by the continuing disclosure agreement) related to the District's outstanding bond issues to the entities required by the bond documents.

E. Recordkeeping

1. Responsibility for Records Maintenance

- a. The Compliance Officers shall be responsible for maintaining records related to bonds of the District.
- b. The Treasurer shall maintain a central list of records related to each issue of bonds of the District. The list shall identify:

1. ~~the name and date of the document related to the issue;~~
2. ~~the person or office responsible for the document; and~~
3. ~~the physical or electronic location of the document.~~

2. **Bond Records to be Maintained**

- a. ~~The following records shall be maintained for each outstanding bond issue for the term of the outstanding bond issue plus three (3) years:~~
 1. ~~basic records relating to the bond transaction, including the trust indenture, loan, lease, or other financing agreement, the relevant IRS Form 8038 (including Forms 8038 G, 8038 B, or 8038 TC, as applicable) with proof of filing, and bond counsel opinion shall be maintained by the Treasurer's Office;~~
 2. ~~documentation evidencing the expenditure of bond proceeds, such as construction or contractor invoices and receipts for equipment and furnishings, as well as records of any special allocation made for tax purposes shall be maintained by the Treasurer's Office;~~
 3. ~~documentation evidencing the lease or use of bond-financed property by public and private sources, including, but not limited to, service, vendor, and management contracts, research agreements, licenses to use bond-financed property, or naming rights agreements shall be maintained by the District office executing such agreement for use of bond-financed property; and~~
 4. ~~documentation pertaining to investment of bond proceeds, including the yield calculations for each class of investments, actual investment income received from the investment of proceeds, and rebate calculations shall be maintained by the Treasurer's Office.~~
- b. ~~The Treasurer shall maintain the District's audited financial statements for not less than seven (7) years.~~

F. **Bond Counsel Review**

~~The Treasurer may engage Bond Counsel to assist in implementing this policy, including, but not limited to, assistance in the following areas:~~

1. ~~rebate calculations and compliance;~~
2. ~~records retention;~~
3. ~~periodic review of the central list of records related to bonds for compliance with Federal tax laws regarding private business use;~~
4. ~~other Federal tax law compliance, including any annual reporting requirements that may be imposed by the Internal Revenue Service; and~~
5. ~~Federal securities law compliance.~~

G. **Training Requirements**

~~Within six (6) months of becoming a Compliance Officer, and on an annual basis thereafter, the Compliance Officers and their designees shall undergo training regarding basic Federal tax concepts relating to bonds and records required to be maintained under this policy.~~

H. **Annual Policy Review**

~~On an annual basis, or sooner if deemed necessary by the Compliance Officers, the Compliance Officers shall review this policy and assess the District's compliance with this policy. The Compliance Officers shall make changes to this policy as appropriate to ensure compliance with any covenants in the bond documents or the requirements of Federal tax and securities laws and any other applicable law.~~